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Annual report of the Administrator on evaluation 2002

Summary

The report on evaluation 2002, covering the period from July 2002 to June 2003, examines the progress made by UNDP in deepening the culture of performance within the organization. During the reporting period, the demand for the evaluation and lesson learning improved substantively. The report draws upon evaluative evidence from a global trends analysis of development effectiveness and key country-level and corporate evaluations from UNDP to assess development results. It also elaborates UNDP efforts to promote more dynamic interaction between country operations and the evaluation function in order to improve the link between evaluations, substantive learning, decision-making and partnerships.

UNDP has launched a number of initiatives to revamp its approach to managing for results, including a strong outreach strategy for promoting knowledge-sharing and lessons-learning throughout the organization and with partners, which is critical for improving development results at the country level. The report emphasizes the importance of accessing "real-time" lessons and feeding evaluation recommendations back into decision-making for more effective learning and accountability – especially in view of the challenges in aligning UNDP strategic goals to the Millennium Development Goals and fostering a broader range of partners for development effectiveness. The report highlights several future priorities for extending the performance culture throughout the organization.

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Introduction

1. This report for 2002 on evaluation focuses on deepening the performance culture in UNDP and in knowledge and learning for decision-making. The report on the multi-year funding framework (MYFF) 2000-2003 (DP/2003/12) highlighted the organization's key achievements, in particular how and where UNDP is making discernible contributions to development change. While the evidence presented in the MYFF shows that UNDP has made considerable progress in achieving results, there are new challenges to align more closely strategic results framework (SRF) goals with the organization's practice areas and the Millennium Development Goals (MDGs). This has meant feeding in lessons learned from evaluation into the second MYFF 2004-2007 (DP/2003/32) to strengthen its results orientation. The Administrator's corporate priorities for 2003 underscore the integration of performance planning, measurement and accountability in areas where learning strategies have a critical role to play in harnessing knowledge, experience and resources from throughout the organization. The organizational shift to a "culture of performance" requires a stronger emphasis on substantive accountability and lessons-learning, and a continued emphasis on measurement and results, which must remain an organizational priority for some time to come.

2. During the MYFF 2000-2003, UNDP laid the foundation of a performance culture following the introduction of results-based management (RBM) in the organization in 1998; efforts were subsequently directed toward its implementation. During this reporting period, the demand for evaluation and lessons-learning improved substantially. The organization accomplished this, inter alia, by installing the new results-based monitoring and evaluation framework in UNDP and consolidating it through outreach and support initiatives. There is now a three-tired accountability and learning system in place at: (a) the programme level – outcome evaluations; (b) the country level – a select number of country evaluations; and (c) the organization level – the development effectiveness report (DER). Each component builds on the other.

3. This report, which draws on evaluative evidence and global trends analysis in the DER, is divided into three parts. Part 1 examines the trends towards development and organizational performance and the link between evaluations, lessons-learning, decision-making and partnerships. Part 2 elaborates results of UNDP corporate-level evaluations and completed evaluations from its associated funds and programmes. Part 3 highlights some future directions.

I. Managing for results, accountability and learning

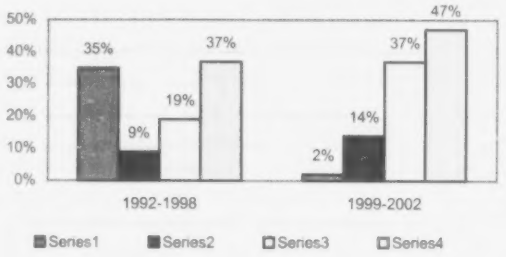
A. Development effectiveness – global trends

4. Since its inception, the DER has increasingly become an important tool for assessing and analyzing key issues and trends pertaining to development effectiveness at both country and global levels. This year's DER attempts to address the links between organizational performance and development results through an analysis of global trends, and in doing so complements the report on the MYFF 2000-2003. While the MYFF specifically looks at UNDP country level efforts to bring stronger strategic focus on the six overarching organizational goals, the DER situates UNDP performance in a wider partnership framework that includes the

policies and programmes of both developed and developing countries as they influence overall development and more specifically the prospects of attaining the MDGs.

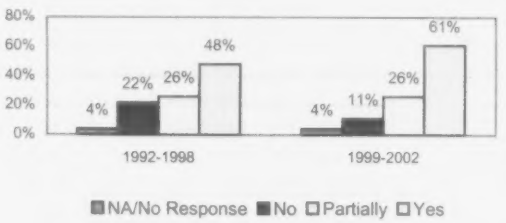
5. The DER has shifted from exclusively focusing on issues such as individual agency performance and aid effectiveness to looking at how UNDP contributes to the overall development results of countries and brings change to people's lives. It draws attention to the challenge of linking micro-level (project activities) to macro-level (policy change) by generating evidence that has the potential to promote cross-country and cross-regional learning on what works, and connecting organizational change with development impact, partnerships and 'shared' accountability to enhance impact on development results. The DER has two components: at the country level, it situates UNDP performance in the context of overall country-level development outcomes; at the global level, it looks at the global trends and efforts needed to reinforce development effectiveness.

Figure 1: Project effectiveness



6. The DER draws information from thematic and strategic evaluations, data analysis of 1 016 project/programme evaluations, including around 200 project/programme evaluations undertaken in 2002, country case studies in the five UNDP regions and other background papers. The analysis shows results in relation to the organization's six main practice areas (democratic governance, poverty reduction, crisis prevention and recovery, energy and environment, information and communications technology and HIV/AIDS), and the five geographical regions it operates in. It also shows results via three key dimensions increasingly considered particularly relevant to development programmes – capacity, ownership, and policy environment – which need to be in place and well-aligned with each other if development support is to enable countries to enhance their development. This broader analysis is important because it adds to organizational learning by highlighting strengths and weaknesses in different practice areas and regions.

Figure 2: Sustainable projects



7. The major trends highlighted in the report are improvements in project effectiveness (figure 1), which can be considered as useful approximation of outcome measures, and greater sustainability of UNDP interventions – with some challenges. Not only were 61 per cent of projects/programmes sustainable in 1999-2002, compared to 48 per cent in 1992-1998, but there has also been a large decline in initiatives that were "not sustainable", from 22 per cent in 1992-1998 to only 11 per cent in 1999-2002 (figure 2). This is a significant trend because an increase in sustainability implies that there has been a process of local learning and capacity-

building through stronger partnerships, and local support to allow an intervention to continue once UNDP funding draws to an end.

8. The challenges of focusing on development results and multi-dimensional human development goals, such as the MDGs, require a broader analytical canvas and a range of performance measures that bring out the respective contribution of different development actors to overall development, and more specifically the MDGs. The DER illustrates the need for global partnerships, between donors and developing countries in particular, to enhance development effectiveness. This means not only that there is a need for more and better official development assistance (ODA), but that developed country policies in the areas of trade, debt relief, financial stability and environmental protection, for example, need to become more development oriented.

B. Strengthening results at the country level

Country evaluations

9. Following a successful pilot phase of applying the country level impact assessment (CLIA) methodologies, in 2001 UNDP launched a series of country evaluations, called assessments of development results (ADRs). ADRs are independent evaluations that assess and validate development results at the country level. These country evaluations respond to the specific need of exploring development effectiveness in relation to organizational performance.

10. At the corporate level, ADRs provide a substantive basis for quality assurance with regard to UNDP interventions and generate lessons learned that serve to support and enhance country-level programming. They also serve as important corporate instruments for fulfilling the accountability requirements of the Administrator. In trying to establish a credible link between UNDP support and the results achieved, the ADRs focus on matters of a strategic nature, such as partnering, micro-macro links, the MDGs, lessons-learning and other key factors influencing results. There is greater emphasis on a wide participatory and consultative process with key partners to ensure that the evaluation contributes to strategic partnership-building around key development results at the country level, and influences the direction of future UNDP work and role in line with core human development priorities of each country.

11. The ADRs are being undertaken in 7 to 10 countries each year. Countries are selected with the aim of capturing the diverse range of challenges that confront UNDP programme countries globally. The choice of the first set of countries – comprising Afghanistan, Bangladesh, Bulgaria, Egypt, Ethiopia, Haiti, Honduras, Jamaica, Mozambique, Nepal, Nigeria, Syrian Arab Republic, Turkey, Ukraine, Viet Nam and Yemen – was guided by an appraisal of the strategic importance of the country to the region, and the potential for generating lessons-learned with a bearing on development effectiveness. These evaluations will be spread over 2003-2004. Evaluations for Bulgaria, Nigeria and Viet Nam, which began in the last quarter of 2002, have been completed; the findings have been shared at different learning events both at the headquarters and at the local level, with particular emphasis on trends, strategic positioning and policy implications. The experience and lessons gained from the initial ADRs will be fed into the practice networks and corporate and regional lessons-learning initiatives to refine further the methodology and enhance the overall effectiveness of UNDP country-level support.

Outcome evaluations

12. As was highlighted in the report of the Administrator on evaluation 2001 (DP/2002/27), UNDP introduced its new monitoring and evaluation framework in late 2001, orienting it towards results and focusing monitoring and evaluation more at the outcome – or development change – level. Under the new system, project evaluations are optional, and a certain number of outcome evaluations are mandatory. The year 2002 was the first time that country offices applied the new framework, and a number of outcome evaluations have already been completed. These evaluations have demonstrated their value in providing country offices with the analysis to make policy decisions, and promise to help UNDP to develop further its expertise in the various practice areas.

13. Compliance based on the receipt of evaluation plans, and as reported in the annual report of the Administrator on evaluation 2001, was 89 per cent. Although these results were better than in the past, the actual conduct of evaluations has not been able to keep up with the plans. Given the newness of outcome evaluation methodology, and since 2003 is the first year in which outcome evaluations are conducted, countries are still in a learning mode. Outcome monitoring and evaluation are powerful. But they are very new tools for the country offices. A certain amount of capacity-building is therefore necessary, requiring more preparatory time to apply the methodology. Changes in the outlook and approach of staff are required by several elements of the new framework, which places a premium on coherent and strategic planning around results, partnering for development change, capacity-building for and ownership of monitoring and evaluation, and promotion of knowledge and learning from evaluation (see annex for details).

14. The trends from the planned and completed outcome evaluations in 2002 indicate that the organization is deeply involved in the SRF goals of democratic governance and poverty. Evaluations planned in governance surpassed all the other practice areas for each year, except in 2003. In terms of regional trends, the Regional Bureau for Africa (RBA) has the highest number of evaluations (51) planned in the practice area of poverty, a clear indication of the region's priorities. Emphasis in the Regional Bureau for Asia and the Pacific (RBAP), the Regional Bureau for Arab States (RBAS) and the Regional Bureau for Europe and CIS (RBEC) appears to be in governance, while the Regional Bureau for Latin America and the Caribbean (RBLAC) has given equal emphasis to governance and poverty. Given their importance for UNDP, it is surprising that country offices have not given high evaluation priority to special development situations (particularly conflict prevention and recovery) and gender. A possible explanation in the case of conflict prevention and recovery could be the nature of the work, which makes evaluations in dangerous and complex circumstances difficult to manage. Fewer evaluations in gender, on the other hand, could be the result of the mainstreaming of gender activities, which has led not only to underreporting of gender in SRF goals, as indicated in the report on the MYFF 2000-2003, but also to a low level of outcome evaluations carried out in this area. Closer attention is warranted in this particular area.

15. During 2002, the Evaluation Office contributed to a series of regional training workshops in Bangkok, Cuba and Fiji on "managing for results" to improve outcome evaluation capacity-building within UNDP and with United Nations partners. Furthermore, 30 virtual clinics were organized for country offices on how to plan outcome evaluations; it was observed that those country offices receiving help from

the virtual clinic produced better evaluation plans and terms of reference for outcome evaluations. There are encouraging signs that country offices and other units have taken the outcome evaluation approach seriously. For example, there has been an increase in the number of requests from country offices and other units, such as regional bureaux, for further training in the new approaches in results-based monitoring and evaluation per se, as well as for managing for results in general. In addition, where the training initiatives in the past had been organized around other regional and corporate initiatives, there is now a more focused and concerted effort to cover results-based monitoring and evaluation under the overall rubric of "managing for results".

16. The Evaluation Office has also partnered with the Learning Resource Centre (LRC) in collaboration with the Operations Support Group (OSG) and the Bureau of Management (BOM) to ensure a coherent and common approach to corporate training on managing for results. A learning event is planned for late 2003 for the first countries to undertake outcome evaluations in the area of decentralization and local governance as well for several countries planning evaluations in the same area. This will bring together the relevant countries along with other units such as the sub-regional resource facilities (SURFs), regional bureaux and the Bureau for Development Policy, to share experiences in using the outcome evaluation methodology, learn from each other and generate system-wide lessons.

17. A notable measure undertaken by the Evaluation Office, with support from OSG and BOM, is to ensure that the Enterprise Resource Planning (ERP) system is result-oriented. This was initiated through an integrated country office framework with one platform to plan, implement, monitor and evaluate, which would simplify business processes by integrating functions and instruments within a coherent framework and generate information on performance in terms of substantive progress, costs of results and status of implementation activities.

Simplification and harmonization of United Nations system

18. The simplification and harmonization process within the United Nation system has at its core the objective to improve the effectiveness of the development support of the United Nations system at the country level. Under the simplification and harmonization of programme implementation modalities, the United Nations Development Assistance Framework (UNDAF) monitoring and evaluation plan has been a major development. It will monitor and evaluate UNDAF outcomes, major outputs and related country programme outcomes to improve strategic focus and prioritization, reduce duplication of efforts and ensure greater synergies in monitoring and evaluation activities in order to reduce transaction costs. It also provides data and analysis along with an outline of the information sources and systems that will allow the United Nations country team to ensure accountability for results as well as learning from experience. These efforts are also expected to foster stronger partnerships through joint evaluations and strengthen national monitoring and evaluation capacities.

19. Within the context of the United Nations simplification and harmonization process, the Evaluation Office organized an inter-agency workshop on RBM in La Paz, Bolivia, in March 2003 to pilot a training package that will give UNDP programming tools and instruments a more results-based orientation. The workshop was designed and organized in partnership with RBLAC, OSG, the United Nations

Development Group (UNDG) and the country team in Bolivia. The Bolivia experience has shown that leading with the concepts and following with the instruments provides a solid basis for generating a common understanding of what the United Nations intends to do in a given country, why and how. A number of countries have since expressed interest in similar training. In the future, the Evaluation Office will work with its various partners to support such initiatives and undertake joint evaluations in collaboration with the UNDG.

Performance assessment and oversight

20. In the last two years, the Oversight Group, comprising the Evaluation Office, Office of Audit and Performance Review and the Operations Support Group, under the leadership of the Associate Administrator, has introduced briefs that summarize analysis of the substantive and managerial aspects of individual country office performance, based on oversight indicators generated by the three units. This information is intended to be part of the assessment of UNDP resident representatives and to provide UNDP with specific feedback on where it should support country offices in terms of strategic focus and practice areas.

21. Since the oversight exercise in 2003 coincided with the report on the MYFF 2000-2003, it was decided to use information that spans the 2000-2003 MYFF period. To ensure the credibility and objectivity of the exercise, data for the oversight draw on information available from internal and independent assessments (i.e., ROAR, ADR; outcome evaluations and audit). It is envisaged that, as the oversight instruments are refined, the frequency and coverage of the oversight instruments will expand over time, increasing the proportion of countries covered and providing a uniform and consistent basis for performance assessment of country offices. Oversight information for 2000-2002 was made available for the regional bureaux and Career Review Group (CRG) deliberations on country office performance.

C. Knowledge and learning for decision-making

22. The report of the Administrator on evaluation 2001 highlighted the need to cull knowledge and good practices for real time decision-making. Since then, the Evaluation Office has developed an evaluation knowledge-management strategy (EKMS), based on the corporate knowledge management strategy. It has introduced systems and procedures that will ensure greater synergy and complementarity between evaluation knowledge management and outreach to country offices. To this end, the Evaluation Office has launched a new Evaluation Resource Centre (ERC) to enable country offices, regional and central units and partners to tap more easily into and share the vast repository of empirical evidence and knowledge from the new monitoring and evaluation tools (outcome evaluations, ADRs and regular thematic evaluations) in the Evaluation Office database. The ERC is meant to be an agile, easily accessible and interconnected knowledge repository system that will be fully aligned with the new UNDP portal and ERP architecture, once functional, and will also be powered by the UNDP search engine, which will enable it to access evaluation information from internal and external sites and data resources. The EKMS is a demand-driven, proactive approach. Instead of simply producing reports, the strategy seeks to engage end users, such as country offices and regional bureaux,

to extract periodically and exchange summaries of key lessons and good practices for target audiences. Knowledge from evaluations is therefore expected to be more real time, more accessible and, most importantly, more relevant.

23. In an effort to reflect corporate priorities on knowledge and learning, EvalNet was transformed into a corporate knowledge network on evaluation. This new evaluation network aims to strengthen the evaluation knowledge base of UNDP by disseminating good practices and lessons learned on monitoring and evaluation to a broad constituency and to foster results-based performance at both country and corporate levels. In line with other UNDP knowledge networks, this network is open to all interested UNDP staff members, and facilitates regular interaction between other UNDP communities of practice, the knowledge networks, and the SURFs. Since its launch in February 2003, over 400 staff members – 72 per cent in country offices and 28 per cent at headquarters – have joined the network. A series of e-discussions have been conducted and moderated alternately by the Evaluation Office and country office staff. A number of queries have been launched by network members on topics such as the poverty reduction strategy paper (PRSP) logical framework, experiences on outcome evaluation, and the monitoring and evaluation component of PRSPs. This network is now an important tool for promoting knowledge and learning further on how to measure and assess results on a regular and systematic basis. Furthermore, a knowledge and learning module has been incorporated in the standard monitoring and evaluation training package on managing for results, currently used for junior professional officer, deputy resident representative and resident coordinator training.

24. During the reporting period, *Essentials*, the quarterly publication of the Evaluation Office for disseminating and illustrating the experiences and lessons learned in UNDP practice areas, was transformed into a real-time on-line service. Five new issues of *Essentials* were produced in 2002 – "Small Arms and Light Weapons", "Civic Engagement", "Monitoring Poverty", "Capacity Building Initiative Under the Danish Trust Fund" and "From Recovery to Transition: Women, the Untapped Resource". These issues were reviewed both through EvalNet and the SURFs.

D. Partnerships

25. Partnership in the evaluation front has gained greater recognition with the special attention given to it by the Economic and Social Council that has emphasized the need for the different United Nations organizations to work together in achieving development results at the country level. In this context, UNDP has maintained a strong partnership with United Nations system organizations as well as with other national and international agencies. This partnership includes various forms of cooperation around sharing and understanding evaluation methodologies, undertaking joint evaluations and organizing lessons-learning initiatives to deepen the culture of results orientation.

26. The Evaluation Office collaborated with the Bureau for Development Policy, the Bureau for Crisis Prevention and Recovery and the United Nations Development Fund for Women (UNIFEM) to host a lessons-learning conference on the complex and diverse issues pertaining to women in conflict and post-conflict situations. The conference brought United Nations field officers from conflict areas worldwide together with civil society representatives to discuss experiences and strategies for

ensuring that gender perspectives are integrated into recovery and reconstruction efforts. A special edition of *Essentials*, highlighting the key lessons emerging from the conference, has been produced.

27. The Evaluation Office has also forged strong partnerships with the evaluation units of the Department for International Development of the Government of the United Kingdom, and Danish, Dutch and German government agencies, and mobilized financial support to refine corporate methodological tools and strengthen evaluation capacity in programme countries. The Evaluation Office has worked closely with the Evaluation Network of the Development Assistance Committee (DAC) of the Organisation for Economic Co-operation and Development (OECD) and promoted interactions between the United Nations Inter-Agency Working Group on Evaluation (IAWG), the DAC Evaluation Network and the Evaluation Cooperation Group (ECG) of the multilateral development banks.

IAWG, coordinated and hosted by UNDP, provides a forum for the discussion of evaluation issues within the United Nations system to promote simplification and harmonization of evaluation reporting practices. The current IAWG web site, renamed as United Nations Evaluation Forum, has been updated and redesigned to make it more interactive and to bring together all United Nations evaluators. It is hoped that the on-line knowledge-sharing platform will help this informal group to promote simplification and harmonization of evaluation reporting practices among United Nations organizations. It will also allow member organizations to work together on issues such as joint accountability, independence and transparency of evaluations, methodologies and the pursuit of new opportunities for members to work collectively on the MDGs at the country level.

In September 2002, the Evaluation Office, the World Bank and a number of bilaterals and evaluation practitioners from the South jointly launched the International Development Evaluation Association (IDEAS), a forum that aims to strengthen the capacity of the South to promote evaluation as a way of enhancing and nurturing a culture of transparency and accountability in programme countries. Development and evaluation practitioners from multilateral and bilateral organizations, governments, the private sector, universities and professional groups have joined together to help to establish, through an international steering committee from developing and transitional economies, a global network of professionals engaged in development evaluation. The forum will serve as an important platform for engaging civil society to help partner governments and national institutions to monitor and assess the development impact of the MDGs as well as strengthen evaluation capacity as an essential aspect of transparency and governance.

II. Key corporate and country evaluations

A. Evaluation of UNDP role in the PRSP process

28. The Evaluation Office undertook an evaluation of the UNDP role in the PRSP process as a result of the organization's involvement therein and its efforts in poverty reduction. The PRSP represents an area of strategic importance to UNDP and a core priority for one of its key global practices – poverty reduction. Of particular interest is its role in partnering with the United Nations system, the World Bank and the International Monetary Fund (IMF) in the PRSP process. The evaluation focused on the role of UNDP in the achievement of six key PRSP outcomes: (a) increased country ownership in the PRSP preparation process; (b) broad-based participation of civil society and the private sector; (c) multi-dimensional nature of poverty and pro-poor growth; (d) coherence between PRSPs and other longer-term national planning instruments; (e) development partnerships; and (f) poverty monitoring capacity at national and local levels. In-depth studies were conducted in a selected number of countries that provided a good typological mix of countries and regions, namely Azerbaijan, Bolivia, Ethiopia, Mali, Pakistan, the United Republic of Tanzania and Viet Nam. The evaluation also reviewed the role of UNDP as custodian of the resident coordinator system in the PRSP process, emphasizing the links between the PRSPs, the UNDAF and the MDGs.

29. A key conclusion of the evaluation is that UNDP should play both a more substantial and more substantive role because the PRSP process has the potential to transform policy-making and partner dialogue in positive and unprecedented ways. This conclusion applies even to countries in which the process is facing constraints and challenges. In most countries reviewed, the PRSP process has generated positive changes in the relationship between government and the governed, the development community, and partner governments in their efforts to promote pro-poor growth policies. However, the findings also show that few PRSPs derive their policy analysis from the MDGs, which in many countries were adopted without an effective national consultative process to make them country specific. Consequently, there is insufficient understanding and appreciation that the MDGs provide the political context for designing PRSPs. Furthermore, in terms of poverty analysis and PRSP policy links, the PRSPs do not integrate poverty and growth. While there is a coherent growth strategy in PRSP documents, they are not consistently pro-poor. Poverty and growth are treated separately and links between them are weak. This represents a key entry point for UNDP, given its emphasis on the multi-dimensional nature of poverty and capacity-building, to influence the process and forge integration between poverty and growth. The evidence suggests that the PRSP process has the potential to be more dynamic, provided UNDP engages more fully as a partner. Such engagement would provide an opportunity to make the PRSPs – in practice – the action plan for the Millennium Declaration, and to promote changes in the procedures governing the PRSPs so that their pro-poor potential is fully realized.

B. Assessment of the Millennium Development Goal reports

30. The evaluation of Millennium Development Goal reports was a forward-looking, lessons-learning assessment. It examined the quality, relevance and value added of MDG reports in order to assist UNDP and the United Nations system in supporting

countries to improve and strengthen both the process and the product. The 24 MDG reports were reviewed and eight countries – Albania, Bolivia, Cambodia, Lesotho, Senegal, Poland, Yemen and Mongolia – were selected for a more detailed assessment. The focus was on four critical issues: (a) country ownership of the process; (b) the potential value added of MDG reports in shaping national development dialogue; (c) capacity issues; and (d) advocacy and dissemination strategies.

31. The findings have significant implications for UNDP and the United Nations system. While enthusiasm for the MDGs is high, there is considerable lack of clarity on the real value added of MDG reports. Preoccupation with technocratic discussion on length, size and content seem to distract attention from the more pressing need to think strategically on: (a) the results that the reports and reporting processes are expected to generate; and (b) how the United Nations and UNDP in particular can deliver on the MDGs. There is wide variation in country ownership, authorship and added value of MDG reports as advocacy tools that can promote national policy dialogue around the MDG goals and targets. Significantly, government authorship has typically been interpreted as country ownership of the MDG reports, even though evidence from a majority of countries shows that involvement of civil society has been marginal. Contrary to expectations, the MDG reports have not as yet filtered into parliamentary or broader national policy debates, and their preparation still remains the preserve of governments and the United Nations system, particularly UNDP.

32. Finally, the assessment shows that there is the need for convergence and stronger links between the monitoring and reporting processes for MDGs and the PRSPs and other national development comprehensive frameworks and reporting instruments such as the national human development reports, the common country assessment and the UNDAF. Country offices in particular will need to focus on how to coordinate and harmonize United Nations system efforts in support of the MDGs and PRSPs and the alignment with national development frameworks. Currently, the findings are being reviewed from the perspective of the United Nations system; key issues raised appear in the annex of the report.

C. Assessment of micro-macro linkages in South Asia

33. The Evaluation Office initiated an assessment of micro-macro links in the South Asia region that was carried out between June and November 2002. The objective was to survey results and lessons learned from various poverty alleviation programmes, including the South Asia Poverty Alleviation Programme (SAPAP), in Bangladesh, India, Nepal, Pakistan and Sri Lanka with particular focus on results of (a) micro-interventions by UNDP and other donors; (b) social mobilization efforts at local levels and sensitization of higher level policy processes and decisions; and (c) policies and programmes, including major national interventions in addressing structural issues affecting poverty.

34. The assessment found that despite some successes, poverty alleviation projects in the region have been constrained by poor micro-macro links. As a result, most interventions initiated at the micro-level have not been able to change the prevailing macro-level policies and institutional structures, which continue to have complex unfavourable implications for the poor. The evidence shows that greater national commitment and ownership of projects generated better results. It also indicates that

insufficient attention is being paid to assessing the demand for poverty alleviation programmes at the design/input stage. Early national involvement and ownership are critical for avoiding duplication and ensuring that programmes are designed to strengthen institutional links, maximize visibility and influence pro-poor policies and macro-economic policy frameworks (e.g., privatization, trade, fiscal, monetary, sectoral and asset redistribution policies). Local poverty alleviation efforts have to be aligned with and shaped by economic and social welfare polices at the national level. Given that UNDP development assistance is only a fraction of the total assistance received by all five countries – where poverty levels are among the highest in the world – UNDP can not expect to wield influence with governments based on the merits of its financial contributions. Narrowing the conventional gaps that influence both micro-level practices and macro-priorities requires UNDP to be more strategic in leveraging the strengths and experience gained on the ground in each country.

D. Operational flexibility in conflict and post-conflict

35. In 2002, the crisis and post-conflict evaluation, which documents UNDP operational and managerial responses, in particular UNDP flexibility, to changing circumstances and conditions during crisis and post-conflict programme implementation, entered its final phase. Data were drawn from eight countries – El Salvador, Fiji/Bougainville, Haiti, Kosovo, Lebanon, Macedonia, Mozambique and Rwanda.

36. The evaluation has confirmed that country offices are not well aware of the kinds of problems faced in other settings, let alone the kind of solutions generated in other UNDP missions, including those in close geographic proximity. Innovations and enabling practices, such as institutionalizing knowledge-sharing on flexible response, assessing lessons adopted and monitoring implementation and performance to reward flexible response, need to be prioritized within UNDP. The evaluation also points towards broader structural changes that would be required to transform UNDP into a more flexible organization in conflict and post-conflict situations.

E. Evaluation of the Danish Trust Fund

37. Following up on the report last year of the Evaluation of the Danish Trust Fund (DTF), the Evaluation Office convened a final lessons-learning workshop in Hanoi, Viet Nam, in September 2002 to address the lessons that have emerged from the experience. The workshop brought together the five programme countries – Kyrgyzstan, Malawi, Nicaragua, Viet Nam and Zimbabwe – as well as UNDP headquarters and the Government of Denmark. One of the most important conclusions to emerge from the workshop was that all Danish Trust Fund projects had a bearing on policy and/or legal frameworks, thereby proving the hypotheses of the original assessment that UNDP is well placed to provide such assistance. Since the inception of the Danish Trust Fund, UNDP has steadily increased its provision of capacity development assistance in governance and has evolved to become a more proficient provider of upstream advisory services in this area. Therefore, the Danish Trust Fund lessons, which have been published as *Essentials*, are poised to help UNDP as it further enhances its work in this area.

F. Evaluation of poverty-governance links

38. The Evaluation Office has started an evaluation to analyze the link between democratic governance and poverty alleviation based on empirical evidence to identify what has worked and why, and explore key entry points of governance for poverty assistance. The first phase of this evaluation, which included conceptualization, consultation, selection of country case studies and desk reviews have already been completed. The conduct of the evaluation will be undertaken in 2003, and the evaluation report is expected in early 2004.

G. Country evaluations: assessment of development results – Bulgaria, Nigeria and Viet Nam

39. The Bulgaria ADR provides strong evidence that UNDP work in Bulgaria has had a significant bearing on recent national policy, legislative and institutional change that has fostered closer links between the macro and micro-levels of national governance and poverty eradication. The role and strategy of UNDP has been to address the human development dimension of the twin processes of transition to a market-based economy and European Union accession. The increase in the relative priority of the social sectors in government policy may be considered the most important result associated with UNDP work. It is the combination of policy and operational focus that has given UNDP a crucial place in national development, especially with regard to keeping the needs of the poor and vulnerable at the forefront of the development agenda throughout the transition period.

40. The ADR also noted a high degree of synergy between the different strands of programming, strategically aimed at partnerships, resource sharing and advocacy. While total aid has been fairly high for a relatively small country like Bulgaria, the use of UNDP core resources for developing successful pilot initiatives and influencing the government was very modest. Therefore, UNDP has shown considerable success in partnership-building.

41. The findings of the Nigeria ADR show mixed results. In line with Executive Board decision 97/25 that at least 80 per cent of UNDP resources be directed to the community level, UNDP was able to redirect its operations to community levels and initiate participatory poverty reduction interventions that aim to support the poorest segments of society in all the 36 states of Nigeria. Despite positive results registered at the community level and valuable lessons learned, evidence from the ADR shows that in terms of sustainability and cumulative impact UNDP integrated community development programmes (ICDP) raise the issue of scale and balance. In most cases, the wide geographical spread has led to dispersion, overextension and limited impact. Because development results have been largely dependent on institutional capacities and the dynamism and interest of governments, issues of ownership and sustainability of UNDP interventions will need to be addressed.

42. The most significant achievements have been in the area of advocacy for human development and partnership-building evident in the awareness engendered by the national human development reports (NHDRs, for 1996, 1998, 2000-2001), Vision 2010, the nascent National Partnership Forum (NPF) and the Human Development Network (HDN). The NPF and HDN have established an important dialogue forum that brings together government, the private sector and civil society organizations. Perhaps the major innovation has been the initiation of corporate responsibility with

Shell and Chevron, key oil companies in the delta region, around issues of conflict resolution, peace-building and resource mobilization for community poverty reduction programmes.

43. Given the high transaction costs and risk of dispersal involved in grass-roots support, the ADR recommends narrowing the focus and adopting a judicious mix of micro and macro-level interventions that speak to the organization's comparative advantages. In this regard, UNDP will need to identify good practices, and to seek local partners to scale up and consolidate the positive outcomes of its most successful pilots. UNDP has been a responsive and trusted partner and its future challenge is to turn around lessons learned and its organizational assets, leveraging them to influence policy and agenda setting at macro, federal and state levels.

44. Over the last 10 years, Viet Nam has achieved remarkable progress in strengthening its national economy and improving the well being of the vast majority of its people, largely a result of the commitment of the Government to renovation – *doi moi* – since 1986. UNDP has performed a creditable job in tapping some of the most strategic opportunities for assistance to Viet Nam. This is especially valid with respect to governance, where UNDP assistance has responded to issues at the heart of the unfolding reform process – a more open economy, reform of the institutional framework for a socialist market economy, and capacity development for the executive and legislative branches of government. While numerous changes have taken place in the country's legal framework, it has yet to meet the requirements of an effective and independent judicial system for a market-oriented economy, which requires a holistic perspective to foster better linkages and sharing of information between the legislature, judiciary, the Ministry of Justice and other associated organizations.

45. The country office plan to study people's perceptions concerning access to justice and the rule of law is an excellent stepping stone towards determining a clearer focus for judicial reform. In particular, UNDP has managed to stay in step with the emergence of major development concerns in the country and, in a number of instances, had been a "first mover" in areas increasingly recognized as key challenges for Viet Nam by other development partners. However, the evaluation has identified the need for the country office to enhance its capacity for policy advice and upstream engagement to leverage better UNDP comparative advantages vis-à-vis national partners. While its advisory role in the macro-economic area has worked well in the past, it needs to develop similar capacity in some other areas such as legal and judicial reforms, decentralization with special focus on the requirements for poverty reduction strategies, and a bottom-up approach to rural development, environment, sustainable development and information technology.

H. Evaluations by UNDP associated funds and programmes

United Nations Capital Development Fund

46. Sixteen independent, external evaluations were conducted of the United Nations Capital Development Fund (UNCDF) projects in 2002, mostly covering projects in two UNCDF niche areas - local governance and microfinance. In addition, UNCDF also conducted a review of gender mainstreaming in UNCDF projects and programmes for local governance, and supported a donor peer review of UNDP institutional practices in microfinance as part of an aid effectiveness initiative led by the Consultative Group to Assist the Poor (CGAP). The local governance projects were found to be effective in influencing and supporting policy-making in decentralization and, in contrast to previous years' findings, the evaluation findings indicated that the monitoring and evaluation systems established at the project level have improved. However, gender mainstreaming remains a challenge across the board. In response, UNCDF has prepared a gender action plan to address the recommendations for improvement. The donor peer review recognized the excellence of the technical services provided by the UNCDF Special Unit for Microfinance. UNCDF will coordinate an organization-wide portfolio review of UNDP microfinance operations in 2003, and also undertake an impact assessment in 2004 that will inform the Executive Board members and UNCDF donors on the concrete outcomes of the ambitious undertakings of the Fund since 1995.

United Nations Development Fund for Women

47. Continuing from 2001, UNIFEM paid special attention to closely linking gender sensitive evaluations and assessments to internal learning, strategic planning and programme development. UNIFEM was involved in 15 evaluation and assessments, including mid-term reviews, throughout the year. Key among these in 2002 were the final phase of the assessment on initiatives to end violence against women that was started in 2001, the completion of the Independent Experts' Assessment on the impact of war and armed conflict on women, and the review of UNIFEM work on women's leadership and political empowerment activities. The organization-wide Global End-Violence Against Women assessment completed in 2002 offered an effective model with regard to methodology that UNIFEM will continue to use. The assessment was undertaken in a decentralized manner, with each sub-regional programme taking the lead in the reviews in their region based on globally agreed principles.

Montreal Protocol Unit

48. Montreal Protocol programmes and projects implemented by UNDP are subject to the established monitoring and evaluation criteria of the Multilateral Fund for the Implementation of the Montreal Protocol (MLF). During the period from July 2002 to June 2003, UNDP Montreal Protocol projects were included in the evaluations undertaken under the leadership of the Senior Monitoring and Evaluation Officer of the MLF and within the framework of an established and approved intergovernmental monitoring and evaluation system. Full-fledged evaluations were

conducted in the aerosol, mobile air conditioning, halon sectors while desk studies were initiated in the area of refrigerant management plans and the chlorofluorocarbons (CFC) production sectors.

United Nations Volunteers

49. United Nations Volunteers (UNV) conducted a total of 16 evaluations/reviews from Africa, Asia, Europe and Latin America, including 14 project evaluations, a country review in Guatemala and a strategic review of the UNV Programme Officer Empowering Mechanism (POEM), a UNV facility established to strengthen the proactive roles of UNV programme officers in their countries of assignment. Approximately 900 volunteers were assigned under these initiatives. These evaluations highlighted the contribution of UNV volunteers in the consolidation of the peace process, strengthening of human rights in Guatemala, initiating change processes with resultant benefits for local populations in Kyrgyzstan, piloting the successful demobilization of ex-combatants in Niger, and undertaking a multitude of activities effectively contributing to confidence-building among young people of different ethnicity in Bosnia-Herzegovina. While UNV volunteers were involved in a range of activities, the largest contingent was mobilized in support of the United Nations Verification Mission in Guatemala, which summed up their contribution as follows: "the success of the United Nations in human rights would not have been possible without the volunteers".

Global Environment Facility

50. Between July 2002 and June 2003 the UNDP Global Environment Facility (GEF) completed its annual project implementation review and coordinated 19 independent project evaluations, including independent evaluations of two of its major programmes – the Small Grants Programme and the Country Dialogue Workshops programme. In addition it has collaborated with the UNDP country office in China on the outcome evaluation of its energy and environment portfolio, where UNDP GEF projects represent a significant part. At the GEF corporate level, UNDP GEF has participated in five broader thematic studies and evaluations initiated by the GEF secretariat. These include the development of programme impact indicators in biodiversity and international waters focal areas, a review of GEF engagement with the private sector, a review of financial instruments for sustainability of biodiversity conservation, and a study of the nature and role of local benefits in GEF focal areas. Overall findings indicate that strong decentralized institutional and management arrangements at the national level continue to be a key factor for the sustainability of GEF programmes. There should be more interaction and cross-learning between countries and greater focus on policy advocacy at the regional and global levels.

Technical Cooperation among Leveloping Countries

51. In the period under review the Special Unit for Technical Cooperation among Developing Countries (TCDC) prepared four reports that assessed the promotion of South-South cooperation by the Unit and other partners, including organizations of the United Nations system, United Nations Member States, multilateral agencies and

intergovernmental organizations. According to the reports, South-South cooperation is becoming a mainstream modality, attracting new actors among non-governmental organizations and the private sector. The lack of financial resources, coherent policies and adequate information on experts and other capacities in the South are among the key factors that have hindered effective application of South-South approaches to development.

III. Future directions

52. The evolving emphasis on managing for results to improve development effectiveness has increased the demand for evaluative evidence and real-time, results-based learning as well as an increased expectation of the evaluation function. While UNDP has overhauled its entire monitoring and evaluation framework to be simpler, more results-based and oriented towards learning, the challenge is to institutionalize the changes, for which UNDP will need to place more emphasis on building capacity at the country level to monitor and evaluate results, which in turn requires a further strengthening of the evaluation capacity in UNDP. The introduction of the ADRs marks a major shift in terms of assessing country programmes from a strategic perspective and focusing on results and impact, especially the value added of UNDP interventions. Lessons learned from the results of the first batch of ADRs have to be incorporated into programming so as to enhance the accountability of the evaluation function. The accessibility of lessons and feeding evaluation recommendations back into decision-making remain a major focus for more effective learning and accountability – given the increasing challenges of UNDP activities as more locally-driven programmes focusing on the MDGs and broader range of partners are introduced. In this regard, Evaluation Office priorities for 2003-2004 will be as follows:

(a) *Deepening the culture of performance measurement and managing for results.* It is necessary to strengthen the application of UNDP RBM monitoring and evaluation tools and architecture through: (i) building capacity of country offices to integrate the new monitoring and evaluation tools in their management practice; (ii) mainstreaming of ADRs as means for supporting development effectiveness of UNDP interventions at the country level; and (iii) continuing with the publication of the DER for global assessment of UNDP contribution to development effectiveness.

(b) *Enhancing the role of 'communities of practice' on evaluation, including the role of United Nations system partners.* With the launch of the EvalNet and the United Nations Evaluation Forum, there is now much better scope for UNDP and the United Nations to enhance learning from evaluation. This needs to be exploited more fully by UNDP as part of its partnership strategy with other United Nations organizations to foster the sharing of lessons learned on monitoring and evaluation methodologies and issues of strategic national importance, especially in the context of the MDGs.

(c) *Promoting partnerships on evaluation capacity development (ECD).* UNDP evaluations of the PRSPs and MDG reports have demonstrated that there are critical evaluation capacity gaps at the country level that need to be addressed, for which IDEAS represents an important initiative. Emphasis in the MDGs and PRSPs has thus far been on monitoring programmes. However, UNDP will need to work with other development partners in strengthening national evaluation capacities specifically in the context of strengthening the links between the MDGs and PRSPs, and assessing their development impact. As in the past, this work will require more

innovative approaches to partnering at both corporate and country levels through knowledge-sharing and exchanges, support to monitoring and evaluation simplification and harmonization within the United Nations system, collaboration with and support to IAWG and enhancing ECD.

Annex. Evaluation compliance based on the new monitoring and evaluation framework

53. The report of the Administrator on evaluation 2001 (DP/2002/27) introduced the new monitoring and evaluation framework and compliance measurement system, which is based on results, simplified and better aligned with the UNDP culture of learning and knowledge.

54. The new evaluation compliance system is based on outcome evaluations, harmonized with the programme period. Compliance is calculated over the course of the given programme period (be it country, regional or global) to allow for flexibility and to adapt to changing circumstances and learning needs of the country office/unit. This means that the evaluation plan is a rolling one.

A. Compliance

55. The reporting based on the new compliance system will begin in the report of the Administrator on evaluation 2003, which will be presented next year. Compliance based on the receipt of evaluation plans, as reported in the report of the Administrator on evaluation 2001 and presented to the Executive Board at its second regular session 2002, was 89 per cent. These results were better than in the past, thanks to the flexibility and independence given to country offices.

B. Trends

Outcome evaluations planned in 2002:

56. A total of 43 outcome evaluations were planned in 2002 by 37 countries – nine countries in RBA; seven in RBAP; nine in RBEC; one in RBAS and 11 in RBLAC. Of these, the countries that have successfully completed their outcome evaluations are Mali and Eritrea in RBA; China, the Democratic People's Republic of Korea and the Islamic Republic of Iran in RBAP; the Russian Federation, Tajikistan and Ukraine in RBEC; Sudan in RBAS and Honduras, Panama, and Uruguay in RBLAC. Azerbaijan, Lithuania, the former Yugoslav Republic of Macedonia, Morocco, Pakistan and Peru also conducted evaluations. However, these evaluations are being worked on further in order to make them outcome oriented. Kenya has completed its evaluation, but the report has yet to be received. The balance of outcome evaluations has been rescheduled to later a date in the respective country programmes.

57. With 12 outcome evaluations, RBLAC had the highest number of evaluations planned in 2002, followed by RBEC and RBA with 11 evaluations each; RBAP with eight and RBAS with one evaluation. A SRF goal-wise analysis of outcomes planned for evaluation in 2002 indicates that the largest number of evaluations were planned in governance – 49 per cent, followed by poverty – 30 per cent; environment – 12 per cent; special development situations – 7 per cent; gender – 2 per cent, and United Nations support – 0 per cent. SRF goals are used here, although the second MYFF 2004-2007 will have practice areas and these terms will be revised accordingly.

Bureau-wise breakdown of outcome evaluations by SRF goals

58. The bureau-wise breakdown of SRF goals in which a majority of outcome evaluations are concentrated are democratic governance, poverty and environment (figures 3, 4 and 5). There are fewer outcome evaluations planned in the other three SRF goals. Only two bureaux have planned outcome evaluations in special development situation and United Nations support. RBAP is the only bureau to have planned an outcome evaluation in gender.

Figure 1. Outcome evaluations by region 2002

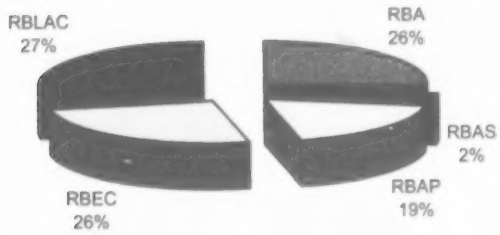
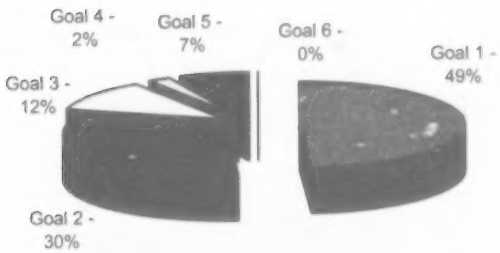


Figure 2. Goal-wise break-up of outcome evaluations 2002



Goal 1 – governance; Goal 2 - poverty; Goal 3 – environment; Goal 4 – gender; Gender 5 – special development situations; Goal 6 – United Nations support.

Figure 3. Democratic governance

Figure 4. Poverty

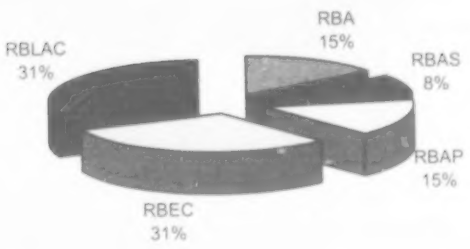
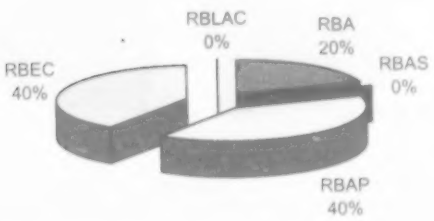


Figure 5: Environment



Outcome evaluations breakdown by bureaux and SRF goal– 2002

59. This section reviews trends in outcome evaluations that had been planned in 2002, some of which have now been re-scheduled for 2003.

Total outcome evaluations by SRF goal and region, 2002

Goal	RBA	RBAS	RBAP	RBEC	RBLAC	Total
Goal - 1 Governance	6	0	4	3	8	21
Goal - 2 Poverty	2	1	2	4	4	13
Goal - 3 Environment	1	0	2	2	0	5
Goal - 4 Gender	1	0	0	0	0	1
Goal - 5 Special development situations	1	0	0	2	0	3
Goal - 6 United Nations support	0	0	0	0	0	0
Total	11	1	8	11	12	43

60. The SRF sub-goal wise breakdown within the goals of these originally planned evaluations is as follows:

Governance

61. *Dialogue that widens development choices.* Accounted for 29 per cent of all evaluations planned under governance in 2002 (RBLAC – 67 per cent, RBA – 33 per cent, RBAS, RBAP and RBEC – nil) The countries that planned to conduct evaluations in this sub-goal were: Bolivia, Burundi, Costa Rica, Honduras, Nigeria and Panama.

62. *Key governance institutions.* Accounted for 29 per cent of all evaluations planned under governance in 2002 (RBA – 50 per cent, RBAP – 33 per cent, RBEC – 17 per cent, RBAS and RBLAC – nil) The countries that planned to conduct evaluations in this sub-goal were: Ethiopia, Islamic Republic of Iran (2), Lesotho, Lithuania and Senegal.

63. *Local governance.* Accounted for 24 per cent of all evaluations planned under governance in 2002 (RBAP – 40 per cent, RBA – 20 per cent, RBEC – 20 per cent, RBLAC – 20 per cent and RBAS – nil) Countries that planned to conduct evaluations in this sub-goal were: Cuba, Mali, Nepal, Pakistan, former Yugoslav Republic of Macedonia.

64. *Public sector*. – Accounted for 19 per cent of all evaluations planned under governance in 2002 (RBLAC – 75 per cent, RBEC – 25 per cent and RBA, RBAP and RBAS – nil). Countries that planned to conduct evaluations in this sub-goal were: Argentina, Azerbaijan, Brazil and El Salvador.

Poverty

65. *National poverty framework*. Accounted for 38 per cent of all evaluations planned under poverty in 2002 (RBEC and RBLAC – 40 per cent each, RBA – 20 per cent, RBAP and RBAS – nil) Countries that planned to conduct evaluations in this sub-goal were: Azerbaijan, Bulgaria, Guyana, Nigeria and Uruguay.

66. *Access to assets*. Accounted for 62 per cent of all evaluations planned under poverty in 2002 (RBAP, RBEC and RBLAC – 25 per cent each, RBA and RBAS – 12.5 per cent each). Countries that planned to conduct evaluations in this sub-goal were: Croatia, Democratic People's Republic of Korea, El Salvador, India, Nigeria, Peru, Sudan and Ukraine.

Environment

67. *Environment and energy for livelihoods*. Accounted for 80 per cent of all evaluations planned under environment in 2002 (RBAP – 50 per cent, RBA and RBEC – 25 per cent each, RBAS and RBLAC – nil). Countries that planned to conduct evaluations in this sub-goal were: China, Kenya, Mongolia and the Russian Federation.

68. *Instruments for environmental sustainability*. Accounted for 20 per cent of all evaluations planned under environment in 2002 (RBEC – 100 per cent and RBAS, RBA, RBAP and RBLAC - nil). The country that planned to conduct evaluations in this sub-goal was Belarus

Gender

69. *Gender equality*. The only country that planned to conduct an evaluation in 2002 in this goal and sub-goal is Botswana in RBA.

Special development situations

70. *Conflict prevention and peace-building*. Countries that planned to conduct evaluations in this goal and sub-goal were: Azerbaijan, Eritrea and Tajikistan.

United Nations support

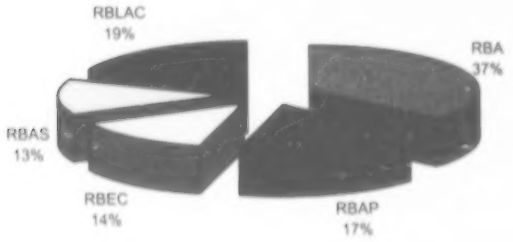
71. None.

Overall trends – 2003-2006

72. The total number of outcome evaluations planned from 2003-2006, now stands at 303, with a majority of evaluations scheduled for 2003 and 2004. As reported last year, these years constitute the middle or the end of the programming periods for over 70 per cent of countries. It is likely, therefore, that country offices consider this period an appropriate time to conduct outcome evaluations, as information from evaluations at this point in the programming period would either help them to make adjustments in their programmes or could be useful to help them to plan for the next programming period.

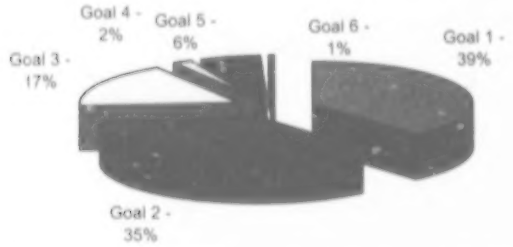
73. The highest number of evaluations planned during this four-year period is in RBA – 111, followed by RBLAC – 57, RBAP – 53, RBEC – 42 and RBAS – 40.

Figure 6: Outcome evaluations planned by region 2002- 2006



74. The evaluation trend started in 2002 of concentrating evaluations in the governance, poverty and environment goals continues throughout the four-year period. A total of 117 evaluations are planned in the area of governance, 107 in poverty and 53 in environment. In special development situations, gender and United Nations support, 18, 6 and 2 evaluations have been planned, respectively.

Figure 7: Goal-wise breakdown of outcome evaluations 2002-2006



Goal 1 – governance; Goal 2 – poverty; Goal 3 – environment; Goal 4 – gender; Gender 5 – special development situations; Goal 6 – United Nations support.